NATIONAL SECURITY COUNCIL

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URGENT INFORMATION

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MEMORANDUM FOR:

TOP SECRET/SENSITIVE

FROM:

MORI/CDF C03325292 pages C03206322 Pages

SUBJECT:

SECRETARY

RICHARD H. SOLOMON WS

Is the Period of Immobilism in Peking Over? Some Comments on the Current State of U.S.-PRC Relations

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> A number of recent developments suggest that with the conclusion of the National People's Congress (NPC) in Peking earlier this month, the air of immobilism in the PRC's leadership which we have sensed for some time is now dissipating. The Chinese have taken a number of steps in their dealing with us in recent days which suggest an interest in moving ahead in developing a more active and visible relationship. At the same time, the campaign of stimulated press sniping about dissatisfaction in Peking with the state of U.S.-PRC relations seems to have been turned off.

This memorandum highlights the indications of a change in mood in Peking.

# Publicizing President Ford's Letter of Congratulations to Premier Chou

The Foreign Ministry called John Holdridge today and asked for permission on an urgent basis to publish the text of President Ford's letter of congratulations to Chou En-lai upon his reappointment as Premier by the NPC. A few hours after this permission was cabled to USLO, the text of the letter was released to the public by NCNA. It may only be accidental that the Chinese asked for this "urgent" permission and released the President's letter on the second anniversary of the signing of the Paris Agreement on Vietnam, but my own sense is that Peking wanted to give some visibility to the fact that its relations with the U.S. have gone beyond the Vietnam stage -- or hope that they have. One can speculate about how they would like this letter to be read in Hanoi, or Moscow, but it does seem clear that Peking wants to give heightened visibility to its relationship with Washington.

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Publication of the Ford letter may also be intended by Peking as a sign to the U.S. that in the wake of the NPC it is in a position to move ahead more actively in its dealing with us, and may be able to give Sino-American relations greater visibility now that its contentious leadership meetings are over. (In this regard, I might mention that a review of your discussions with Teng Hsiao-p'ing last November gives the clear impression that Teng did not want to get off into any detailed discussion of the normalization issue. Indeed, he seemed almost relieved to be able to go on to other subjects.)

### Is Chou En-lai Back in the Action?

Another implication of publication of the Ford letter is that Premier Chou is back in a more visible leadership role. This development, of course, was more directly suggested by Chou's reappointment as Premier, despite his illness, and by his more active pattern of public appearances in the last three weeks. Indeed, I have a sense which is more intuitive than documentable that much of the "sour" quality of our dealings with Peking in 1974 was as much attributable to the predominant role of the dour Teng Hsiao-p'ing in foreign policy matters as to the domestic political campaign. If Chou has indeed reasserted himself more actively in the leadership process in the context of the NPC this may now be evident in a new atmosphere more consistent with the Premier's personal style.

#### The Press Sniping Appears to Have Ended

Another sign that the "old Chou" approach to dealing with the U.S. may be reasserting itself is the apparent drying up of the stimulated campaign of press sniping which we saw begin at about the time of your November trip to Peking. Since Phil Habib's December 24 demarche to Han Hsu on this subject, there has been sufficiently noticeable a shift in the tone of PRC public and semi-public statements on the U.S. and Sino-American relations

### Moving Ahead with Exchanges

Another sign that Peking may be taking steps to pump life into its relations with us is that in the past two weeks PRC trade organizations have informed the National Council for U.S.- China Trade that the long-delayed

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visit of its counterpart organization, the China Council for the Promotion of International Trade, will take place later this year (in August or September), and that they will be sending a delegation of specialists to the U.S. in late February to survey the textile market. This is the first such industry-oriented delegation that Peking has sent to the U.S. (Because of the political sensitivities for us in the textile problem, Bob Hormats and I are working with State, Commerce, and the National Council for U.S.-China Trade to structure the visit of this delegation so that it doesn't set off domestic and international textile producers, and does not alienate the Chinese through a simple recitation of our problems with textile imports.)

In sum, at the moment there seem to be a number of signs that Peking wants to move ahead with the U.S. in a positive direction. The only question about this trend -- if it is sustained -- is whether it will create more of a sense of momentum than suits your sense of timing or that of the President.

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